



**Prepared Remarks of Paul Steidler
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Let me begin by giving strong thanks to Stuart Smith for all he has done to prepare the United States for the Universal Postal Union's (UPU's) 4th Extraordinary Congress in Riyadh, October 1-5, which will examine opening the UPU to wider postal sector players.

Ladies and gentlemen, in the decade ahead the world will experience an international e-commerce boom, as consulting firms like McKinsey have documented. It will soon be common for small packages to be sent anywhere in the world in three days or less, at affordable prices, with electronic tracking and other features.

The ramifications are exciting for businesses and consumers in America and all free-world countries. Billions of new prospects and customers will be available to small and mid-size businesses.

Consumers will have more choices and be able to get items quicker, even gaining a workaround to supply chain issues. New business and shopping opportunities will abound 24/7.

Reform at the Universal Postal Union (UPU) can help accelerate this process, providing great opportunities and a shot in the arm economically to the U.S. economy and the vast majority of other countries within the UPU.

The world, though, does not need the UPU to reach this new threshold of international e-commerce, E-commerce 2.0, if you will. Indeed, the world will not wait. And the real question for the UPU, in Riyadh and beyond, is how much it wants to be part of these positive trends.

In its heart, the UPU organization and its leadership know this. When stepping down as Director General of the UPU in November 2021, Bishar Hussein said the UPU's current structure "is at odds with the transformations undertaken by other sectoral agencies in the UN system, all of which have expanded their representativeness to a wide range of stakeholders operating in their respective industries."

Director General Hussein also pointed out that government-designated operator post offices accounted for just 40 percent of express packages and 36 percent of parcels.

There are also significant business opportunities that will arise for the U.S. Postal Service (USPS) if the UPU's complex subsidies between postal services are eliminated and foreign customers of a postal service pay the same rate for the same service, as domestic customers. This is also eminently fair and rooted in common sense.

Only China and a handful of shrewd corporate owners of some countries' posts benefit from the UPU's current contorted system.

Similarly, offering all carriers the same terms and conditions for delivery of inbound documents and packages will accelerate volume growth and provide abundant last-mile growth opportunities for the U.S. Postal Service.

Indeed, the UPU has made the same points.

In its August 6, 2021 press release announcing this Extraordinary Congress the UPU said, "Opening up the UPU to wide sector postal players will strengthen universal service and catalyze e-commerce development. The need for opening up follows the transformation of the postal sector, which has seen wide scale liberalization, privatization and a surge in e-commerce activity."

I encourage the U.S. delegation in Riyadh to push aggressively for clear, fundamental reforms, that are in our national interest and those of most countries. Thank you.

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